

**AMENDMENT NUMBER 2  
TO  
CONTRACT NO. DIR-SDD-1899  
BETWEEN  
THE STATE OF TEXAS, DEPARTMENT OF INFORMATION RESOURCES  
AND  
COALFIRE SYSTEMS, INC.**

This Amendment Number 2 to Contract Number DIR-SDD-1899 ("Contract") is between the Department of Information Resources ("DIR") and Coalfire Systems, Inc. ("Vendor"). DIR and Vendor agree to modify the terms and conditions of the Contract as follows:

1. **Contract, Section 2. Term of Contract**, is hereby amended as follows:

DIR and Vendor hereby agree to extend the term of the Contract for one (1) year through September 14, 2015 or until terminated pursuant to the clauses contained in the Contract, Appendix A, Section 10.B. Prior to expiration of the term, DIR and Vendor may extend the Contract, upon mutual agreement, for one (1) additional one-year term.

2. **Contract, Section 4. Pricing**, is hereby restated in its entirety as follows:

**4. Pricing**

Pricing to the DIR Customer shall be as set forth in Appendix A, Standard Terms and Conditions For Services Contracts, Section 7, Pricing, Purchase Orders, Invoices and Payments, and as set forth in Appendix C, Pricing Index, and shall include the DIR Administrative Fee.

3. **Contract, Section 4. Pricing A - G** is deleted and is hereby restated in its entirety in Appendix A, Standard Terms and Conditions For Services Contracts, Section 7, Pricing, Purchase Orders, Invoices and Payments dated 05/02/14 as attached hereto.

4. **Contract, Section 5. DIR Administrative Fee** is hereby restated in its entirety as follows:

**A)** The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is three quarters of one percent (.75%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$750.00. The effective date of this change will be November 1, 2014.

**B)** All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor without further requirement for a formal contract amendment. Any change in the administrative fee shall be incorporated by Vendor in the price to the Customer.

5. **Contract, Section 6. Notification** is hereby restated in its entirety as follows:

**6. Notification**

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Dana L. Collins, CTPM, CTCM  
Manager, Contract and Vendor Management  
Department of Information Resources  
300 W. 15<sup>th</sup> St., Suite 1300  
Austin, Texas 78701  
Phone: (512) 936-2233  
Facsimile: (512) 475-4759  
Email: [dana.collins@dir.texas.gov](mailto:dana.collins@dir.texas.gov)

If sent to the Vendor:

Joe Barnes  
Coalfire Systems, Inc.  
14800 Landmark Blvd., Suite 220  
Dallas, Texas 75254  
Phone: (972) 763-8012  
Facsimile: (303) 872-4151  
Email: [Joe.Barnes@coalfire.com](mailto:Joe.Barnes@coalfire.com)

6. **Contract, Section 7. Software License and Service Agreements**, is hereby amended by adding **B. Conflicting or Additional Terms** as follows:

**B. Conflicting or Additional Terms**

In the event that conflicting or additional terms in Vendor Software License Agreements, Shrink/Click Wrap License Agreements, Service Agreements or linked or supplemental documents amend or diminish the rights of DIR Customers or the State, such conflicting or additional terms shall not take precedence over the terms of this Contract.

7. **Contract, Section 8. Intellectual Property Matters, A - L** is deleted and is hereby restated in its entirety in **Appendix A, Standard Terms and Conditions For Services Contracts, Section 4. Intellectual Property Matters A – L** dated 05/02/14 as attached hereto.
8. **Appendix A, Standard Terms and Conditions for Services Contracts dated 6/8/12**, is hereby replaced in its entirety with **Appendix A, Standard Terms and Conditions for Services Contracts dated 05/02/14**, as attached.
9. **Authorized Exceptions to Appendix A, Standard Terms and Conditions for Services Contracts.**

- A. **Authorized Exceptions to Appendix A, Standard Terms and Conditions For Services Contracts, Appendix A, Section 8, Contract Administration, B. Reporting and Administrative Fees, 2) Detailed Monthly Reporting dated 05/02/14** is hereby revised by adding the second paragraph below. Section 9 A) B. 2), as revised, in its entirety reads as follows:

**2) Detailed Monthly Report**

Vendor shall electronically provide DIR with a detailed monthly report in the format required by DIR showing the dollar volume of any and all sales under the Contract for the previous month period. Reports shall be submitted to the DIR ICT Cooperative Contracts E-Mail Box at [ict.sales@dir.texas.gov](mailto:ict.sales@dir.texas.gov). Reports are due on the fifteenth (15th) calendar day after the close of the previous month period. The monthly report shall include, per transaction: the detailed sales for the period, Customer name, invoice date, invoice number, description, quantity, manufacturer's suggested retail price, unit price, extended price, Customer Purchase Order number, contact name, Customer's complete billing address, and other information as required by DIR. Each report must contain all information listed above per transaction or the report will be rejected and returned to the Vendor for correction in accordance with this section.

If Vendor submits three (3) monthly sales reports or administrative fee payments late within a 12-month period, DIR reserves the right to suspend or terminate this Contract for cause per Section 10.B.4.a. of Appendix A, Termination for Cause. If Vendor is late with its monthly sales report, Vendor will pay DIR one hundred dollars (\$100) per day ("Late Payment"), for each day the monthly report is late, up to ten (10) days per month for a maximum monthly Late Payment amount of \$1000 for late monthly sales reports. If Vendor is late with its monthly administrative fee payment, Vendor will pay DIR one hundred dollars (\$100) per day ("Late Payment"), for each day the monthly administrative fee payment is late, up to ten (10) days per month for a maximum monthly Late Payment amount of \$1000 for late monthly administrative fee payments. DIR does not waive any other contractual remedy pursuant to this Contract.

10. **Appendix C – Pricing Index** is hereby restated in its entirety and replaced with the attached Appendix C – Pricing Index.

All other terms and conditions of the Contract not specifically modified herein shall remain in full force and effect. In the event of a conflict among provisions, the order of precedence shall be this Amendment 2, then Amendment 1, and then the Contract.

**(Remainder of page intentionally left blank)**

**IN WITNESS WHEREOF**, the parties hereby execute this amendment to be effective as of the date of the last signature, but in all events, no later than September 14, 2014.

**Coalfire Systems, Inc.**

**Authorized By:** Signature on file

**Name:** Alan Ferguson

**Title:** Executive Vice President

**Date:** 10/22/14

**The State of Texas, acting by and through the Department of Information Resources**

**Authorized By:** Signature on file

**Name:** Karen Robinson

**Title:** Executive Director

**Date:** 10/30/14

**General Counsel:** Mark Howard 10/28/14